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CENTRAL INTELLIGENCE BULLETIN

28 December 1959

DAILY BRIEF

II. ASIA-AFRICA

I. THE COMMUNIST BLOC

Indonesia - Communist China: Djakarta's reception of Chinese Communist Foreign Minister Chen Yi's letter of 24 December has been cool, and Indonesia continues to show no disposition to make concessions to Peiping. In fact, one report alleges that Indonesia may be preparing to restrict Chinese economic activities further by closing Bank of China branches in Indonesia in January. Chen Yi's letter made a "specific proposal" that the two countries promptly exchange ratification instruments of the dual nationality treaty signed in 1955, and appointed Peiping's ambassador in Djakarta as senior Chinese delegate to a committee to implement the treaty. Chen Yi made no other new proposals for settling the dispute, but implied Peiping's recognition of the necessity to "adjust the economic position of Overseas Chinese in Indonesia."

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India: As campaigning for the special election in Kerala State on I February gets under way, the anti-Communist parties together seem capable of defeating the Communists by a substantial margin. The "United Democratic Front" formed by the anti-Communist parties will deny the Communists their usual opportunity to win a disproportionate number of assembly seats by splitting the non-Communist vote. Disillusionment with the Communist party in Kerala as a result of its performance while in office and the reaction of Indian Communists to the Sino-Indian border dispute has also improved the prospects of the Congress party and its allies. However, communal antagonisms and latent personal rivalries among the anti-Communist forces could still narrow their margin of victory, and almost certainly will complicate efforts to form an effective coalition government following the election.

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III. THE WEST	
Brazil: One of President Kubitschek's principal advisers	
told the US Embassy last week that the Brazilian Government is greatly disturbed over the unrest and strikes being stirred up by	
Vice-President Goulart's Labor party and the Communists, and	
that immediate vigorous action is planned to block them. Ambas-	
sador Cabot feels that the Kubitschek government may be exag- gerating the dangers of the situation and the extent of Labor party	
and Communist agitation, but the ambassador considers the sit-	
uation so "nervous" as a result of food shortages and rising liv- ing costs that a leftist uprising or a coup would "not be altogether	
surprising."	
LATE ITEM	
*Laos: The young reformist group the Committee for the	
Defense of National Interests (CDNI)—and Premier Phoui continue to maneuver for political advantage. Following the pres-	
entation of demands by the CDNI on 26 December, Phoui has	
agreed to ask the King's approval to allow the present government to resign and be reappointed in a caretaker status. This action	
would accept the CDNI argument that the present regime is uncon-	
stitutional. The CDNI would not participate in the government,	
but would play an influential role in preparing for future elections. However, the outcome of even this temporary compromise pro-	
posal depends largely on the King's attitude, and the basic polit-	
ical dispute must be regarded as still unresolved.	

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Mid-Term Election Prospects in India's Kerala State Favor The Anti-Communist Front

As campaigning for the special election in Kerala State on 1 February gets under way, the anti-Communist parties together seem capable of defeating the Communists by a substantial margin. The elections will be held under President's Rule, imposed when the Communist state government was dismissed on 31 July.

The expensive lessons learned by Congress and Socialist party politicians following their defeat in the 1957 elections apparently are paying dividends. Congress leaders have taken firm steps to recondition the party and correct the chronic weaknesses that permitted the Communists to come to power. Congress election workers for the first time are organizing down to the precinct level. In addition, the apparently firm agreement establishing a "United Democratic Front"--under which leaders of the Congress party, the Praja Socialists, and the Moslem League have allocated the constituencies each group will contest--denies the Communists their previous opportunity to win a disproportionate number of seats by splitting the non-Communist vote. The anti-Communist front will also benefit from active support of the Hindu and Christian communal organizations which led the successful agitation against the Communist government last summer.

Widespread disillusionment with the Communist party in Kerala has been the main factor in improving its opponents' prospects. The reputation of the party, already seriously damaged by its policies while in office, has been further downgraded as a result of its national leadership's "unpatriotic" reaction to the India-China border dispute.

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The Communists, however, are not likely to be routed. They remain the best organized and best financed group in Kerala. Party workers have been propagandizing vigorously since August, and already have an impressive campaign apparatus in the field. Moreover, the personal rivalries and communal antagonisms traditional in Kerala politics lie just beneath the surface of the "united" democratic front. These weaknesses could still narrow the margin of victory for anti-Communist elements and almost certainly will complicate the problem of forming an effective coalition government after the elections.

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THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Defense and Civilian Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

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